

New Data Adjustment

This section is divided into two parts. The first part (pages 101 through 128) provides background information on the new data adjustment process and outlines the procedures for submitting a new data adjustment. The second part (pages 129 through 140) provides an example of a situation that would warrant the submission of a new data adjustment and sample material as it would pertain to a new data adjustment.

To understand the new data adjustment process, the U.S. Department of Education (Department) recommends that the reader review both parts of this section.

PART I: Background, Process, and Procedures

QUALIFYING

What is a new data adjustment?

A new data adjustment is a process that provides any school that receives an official cohort default rate, an opportunity to challenge the accuracy of any “new data” included in the school’s official cohort default rate.



Note

The new data adjustment is a new cohort default rate process as described in the preamble to the final regulations published November 1, 1999. See 64 Federal Register 58974 – 58975.

Q. What causes new data to appear in the official cohort default rate calculation?

A. New data may appear in the official cohort default rate calculation because NSLDS is continuously provided with new/updated information. Because the draft cohort default rates are calculated approximately six months before the official cohort default rates are calculated, the data used to calculate the draft cohort default rates may be different than the data used to calculate the official cohort default rates.

Q. If a school's status changes after the release of the draft cohort default rates BUT before the release of the official cohort default rates and the change in status results in a merged, substituted, and/or combined official cohort default rate, is the data that is included in the school's official cohort default rate as a result of the change in status considered new data?

A. Yes, if new data appears in a school's official cohort default rate as a result of a change in status and the school believes that the new data is incorrect, it can address the data changes as a part of a new data adjustment.

What is new data?

New data occurs when the loan data reported to the National Student Loan Data System (NSLDS) is changed during the period between the calculation of the draft and official cohort default rates. New data can be identified by comparing the draft and official loan record detail reports for the same year and determining if any loan data is newly included, excluded, or changed in any manner.

Examples of new data include:

- a specific loan is **not included in the draft** cohort default rate calculation but the loan is **included in the official** cohort default rate calculation as either a defaulted or non-defaulted loan;
- a loan is **included in the draft** cohort default rate calculation as either a non-defaulted loan or a defaulted loan but the same loan is **not included in the official** cohort default rate calculation;
- a loan is **included in the draft** cohort default rate calculation as a **non-defaulted loan** but the same loan is **included in the official** cohort default rate calculation as a **defaulted loan**;
- a loan is **included in the draft** cohort default rate calculation as a **defaulted loan** but the same loan is **included in the official** cohort default rate calculation as a **non-defaulted loan**.

Which schools are eligible to submit a new data adjustment?

All postsecondary schools that receive an official cohort default rate may initiate a new data adjustment. This includes schools whose official cohort default rates are below 25.0 percent. However, if the guaranty agency/Direct Loan servicer responsible for reviewing a school's new data allegations **does not agree that the newly reported data is incorrect**, the school **may not submit** the allegation to the Department for final arbitration.

Why should a school submit a new data adjustment?

After the release of the official cohort default rates, a school should submit a new data adjustment if:

- the school discovers that a loan on its official loan record detail report when compared with its draft loan record detail report for the same year, is newly included, excluded, or changed in some manner;
- AND
- the school believes that the way the loan is being used in the official cohort default rate calculation is incorrect;
- AND
- the school determines that the change did NOT result from its draft data challenge;



Note

If the loan data are reported in the same manner in the draft and official loan record detail reports, the school may NOT challenge the data as part of a new data adjustment. If these data issues are submitted as part of a new data adjustment, they will NOT be reviewed.

For which cohort default rates may a school submit a new data adjustment?

A school can only request an adjustment of the most recent [in this case fiscal year (FY) 1998] official cohort default rate data as part of a new data adjustment. Schools that have 29 or fewer borrowers entering repayment are also limited to submitting a new data adjustment for only the current year's official data.

Is a new data adjustment the same as an uncorrected data adjustment or an erroneous data appeal?

No, a new data adjustment is NOT the same as an uncorrected data adjustment or an erroneous data appeal.

Q. If a school receives an official cohort default rate but has officially withdrawn from the FFEL Program and/or Direct Loan Program, should the school review the cohort default rate data?

A. Yes. It is important to address any new data found in the cohort default rate data because a school may not be given another chance to address these errors and the school may be subject to certain consequences as a result of its official cohort default rates even if the school is no longer participating in the FFEL Program and/or Direct Loan Program.

- A **new data adjustment** addresses data that were correctly reported in the draft loan record detail report BUT were incorrectly reported in the official loan record detail report (i.e., new data). Any school, regardless of its cohort default rate, may submit a new data adjustment PROVIDED that the adjustment is timely submitted and the guaranty agency/Direct Loan servicer correctly agreed to change the data after the release of the official cohort default rates.
- An **uncorrected data adjustment** addresses changes to data that were correctly agreed to during the draft data challenge process, but were not made. Any school, regardless of its cohort default rate, may submit an uncorrected data adjustment PROVIDED that the adjustment is timely submitted and the guaranty agency/Direct Loan servicer correctly agreed to change the data during the draft data challenge process.
- An **erroneous data appeal** addresses data that were challenged during the draft data challenge process but were not resolved during the draft data challenge process and/or new data that appear in the school's official cohort default rate. An erroneous data appeal may only be submitted by a school that is subject to sanctions as a result of the school's official cohort default rates. When submitting an erroneous data appeal, the guaranty agency/Direct Loan servicer does not need to agree that a change to the data is warranted.

**Note**

A school may be eligible to submit a new data adjustment, an uncorrected data adjustment, and/or an erroneous data appeal. If a school is submitting one or more of the adjustments/appeals, it is important to note that each has different eligibility, deadlines, and documentation requirements.

For more information on uncorrected data adjustments and/or erroneous data appeals, please refer to the “Uncorrected Data Adjustment” and/or “Erroneous Data Appeal” sections beginning on pages 83 and 141, respectively.

Should a school subject to sanctions submit a new data adjustment?

No, a school that is subject to sanctions due to its cohort default rates should always submit an erroneous data appeal rather than a new data adjustment.

A new data adjustment will only result in a change to a school's cohort default rate PROVIDED that the school timely and correctly submits the adjustment to the Department and the guaranty agency/Direct Loan servicer and the Department correctly agree that a change is warranted. If the guaranty agency/Direct Loan servicer does not agree that a change is warranted, the Department will NOT review the school's new data adjustment.

An erroneous data appeal, which is limited to schools subject to sanctions due to cohort default rates, may result in a change to a school's cohort default rate even if the guaranty agency/Direct Loan servicer does not agree that a change is warranted PROVIDED that the school timely and correctly submits the appeal to the Department and can provide substantial evidence to the Department that a change is warranted.

Please refer to the "Erroneous Data Appeal" section beginning on page 141 for information on submitting an erroneous data appeal.

What if a school does not submit a new data adjustment?

If a school does not submit a new data adjustment after the release of the official cohort default rates, the school may not have the opportunity to challenge the data at a later time.

What role does a guaranty agency have in a school's new data adjustment allegations?

A guaranty agency is required to respond to a school's timely submitted new data adjustment allegations for those FFEL Program loans for which the agency currently maintains the guaranty.



Note

A school can determine which guaranty agency currently maintains the guaranty on an FFEL Program loan by the **guarantor/servicer code** that is reported on the loan record detail report for the loan in question. "Appendix A" identifies the entity associated with each guarantor/servicer code.

The guaranty agency must respond to the school's new data allegations within **15 working days** of receiving the allegations. If the guaranty agency does not respond within **15 working days**, the school should advise the Department's Default Management Division, in writing, of the delay.



Note

In its response to a school's new data allegations, the guaranty agency will address each of the school's allegations. However, the guaranty agency should NOT respond to a new data allegation if the time frame for a school to submit the new data allegations has expired.

Please refer to the "Information for Guaranty Agencies on Adjustments and Appeals" section beginning on page 347 for more information on guaranty agency responsibilities and the "Timing and Submitting" portion of this section beginning on page 116 for more information on the time frames associated with new data adjustments.

What role does the Department have in a school's new data adjustment?

The Department has two separate roles in a school's new data adjustment. The Department's first role is responding to a school's allegations regarding new data if the guarantor/servicer code for a loan in question is "555" or "0101". The Department's second role is to review schools' new data adjustments.

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The Department is responsible for responding to a school's allegations regarding the accuracy of new data if the allegations address FFEL Program loans currently held by the Department and/or Direct Loan Program loans.

- ❖ The **Department's Default Management Division** is responsible for responding to schools' allegations regarding **FFEL Program loans that are currently held by the Department**. These loans are identified in the loan record detail report with a guarantor/servicer code of "**555**". The address to submit new data allegations to the Department's Default Management Division is provided in "Appendix A."

- ❖ The **Department's Direct Loan servicer** is responsible for responding to schools' allegations regarding **ALL Direct Loan Program loans**. These loans are identified in the loan record detail report with a guarantor/servicer code of "**0101**". The address to submit new data allegations to the Department's Direct Loan servicer is provided in "Appendix A."

**Note**

Even though the **Current Lender/Servicer/Holder** code for defaulted Direct Loan Program loans is **555**, ALL inquiries regarding Direct Loan Program loans must be directed to the Direct Loan servicer.

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The Department's Default Management Division is also responsible for reviewing a school's new data adjustment once the school has received confirmation that a change to the data is warranted.

**Note**

If the guaranty agency/Direct Loan servicer indicates that a change is NOT warranted based on the new data allegations presented by the school, the school cannot submit those allegations to the Department as a part of a new data adjustment.

- ❖ If the Department determines that the guaranty agency/Direct Loan servicer correctly agreed that changes are warranted to the new data identified by the school, the Department will recalculate the school's cohort default rate based on the correct data and notify the school of the revised cohort default rate calculation.

Please refer to page 33 of the "Cohort Default Rate Calculation" section for information on adding and subtracting loans to and from the cohort default rate calculation.

- ❖ If the school was previously notified that it was subject to sanctions due to its official cohort default rates and the Department determines that the school's revised cohort default rate is below the applicable sanction threshold(s), the Department will withdraw the notice that the school is subject to the loss of eligibility to participate in any Title IV Student Financial Assistance Programs due to the school's official cohort default rates.
- ❖ If the school is subject to initial or extended loss of eligibility to participate in the FFEL Program, Direct Loan Program, and/or Federal Pell Grant Program, and the Department determines that the school's revised cohort default rate(s) is NOT below 25.0 percent and the school does not have any other cohort default rate adjustments/appeals pending before the Department, the Department will notify the school of the effective date of its loss of eligibility to participate in the FFEL Program, Direct Loan Program, and/or Federal Pell Grant Program and any liabilities that the school may have incurred during the adjustment/appeal process.

**Note**

If a school is subject to initial loss of eligibility to participate in the FFEL Program and/or Direct Loan Program and the school's adjustment/appeal of that loss is unsuccessful, the school will be liable for certain costs associated with FFEL Program loans certified and delivered and Direct Loan Program loans originated and disbursed by the school. A school's period of liability with regard to these costs begins 30 calendar days after the school receives notice that it is subject to initial loss of eligibility to participate in the FFEL Program and/or Direct Loan Program. The period of liability ends upon the earlier of the withdrawal of the school's adjustment/appeal, the resolution of the school's adjustment/appeal, or the 45th calendar day after the date the school submitted its completed adjustment/appeal to the Secretary for review.

- ❖ If the school is subject to possible limitation, suspension, and/or termination (LS&T) due to its official cohort default rate and the school's revised cohort default rate is not below 40.1 percent, and the school does not have any other cohort default rate adjustments/appeals pending before the Department, the school will be referred to the Department's Administrative Actions and Appeals Division for possible LS&T from all Title IV Student Financial Assistance Programs.

Please refer to page 37 of the "Cohort Default Rate Effects" section for more information on the effects of sanctions associated with official cohort default rates.

What if a school's new data allegations and/or adjustment is sent to the wrong entity?

If a school submits its new data allegations and/or adjustment to the wrong entity, the new data allegations/adjustment will NOT be reviewed and the school could miss the deadline for submitting the new data allegations/adjustment.

New data allegations should be sent to the entity responsible for the loan. The entity responsible for the loan is identified by the guarantor/servicer code that is reported on the loan record detail report for the loan in question.



Note

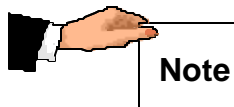
The entities identified by the **guarantor/servicer codes** in the loan record detail report include guaranty agencies, the Department's Default Management Division, and the Department's Direct Loan servicer. "Appendix A" identifies the contact and address information for each entity associated with each guarantor/servicer code.

New data adjustments should be sent to the Department's Default Management Division at the address on page 128 once the school has received confirmation that a change to the data is warranted.

How can a new data adjustment affect the school's official cohort default rate?

If, as a result of a new data adjustment, the Department determines that a school's official cohort default rate is incorrect, the Department will recalculate the cohort default rate using the corrected data. This may **lower, raise, or not affect** any of a school's three most recent official cohort default rates.

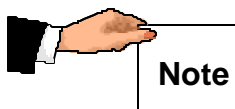
Please refer to page 33 of the "Cohort Default Rate Calculation" section for information on adding and subtracting loans to and from the cohort default rate calculation.



Even though the Department may alter a school's official cohort default rate calculation(s), subsequent copies of the school's official loan record detail report(s) will not reflect the change. Therefore, it is important to keep a copy of the Department's final determination letter as the official record of the school's cohort default rate(s).

What types of allegations may a school submit as a part of a new data adjustment?

The following are examples of various types of allegations a school may submit as a part of its new data adjustment PROVIDED that the loans on which the allegations are based are considered new data.



To demonstrate that a loan is considered new data, a school must include in its request for review of its new data allegations a copy of the relevant page(s) from the draft and official loan record detail reports to show that the loan has been newly included, excluded, and/or changed in some manner between the calculation of the draft and official cohort default rates.

•• **Borrower is missing from official cohort default rate calculation**

If a school believes that a borrower was incorrectly excluded from the official cohort default rate calculation, it should include documentation in its adjustment to prove the borrower's last day of attendance and the correct date entered repayment, along with proof that the school timely submitted the change in enrollment documentation to the lender/guaranty agency/Direct Loan servicer or the National Student Loan Data System (NSLDS), as required.

Please refer to page 20 of the "Cohort Default Rate Calculation" section for information on which borrowers should be included in the cohort default rate calculation and page 60 of the "Loan Record Detail Report" section for information on identifying how borrowers are used in the cohort default rate calculation.

•• **Loan duplicated in official cohort default rate calculations**

If a school believes that the same loan is reported in two different official cohort default rate calculations, it should include documentation in its adjustment to prove the borrower's last day of attendance and the correct date entered repayment, as well as proof that the school timely submitted the change in enrollment documentation to the lender/guaranty agency/Direct Loan servicer or NSLDS, as required. In addition, the school should provide the pages of the official loan record detail reports from the two separate cohort default rate calculations to demonstrate that the loan was duplicated.

Please refer to the "Special Circumstances Affecting How Cohort Default Rates Are Calculated" chart on page 25 of the "Cohort Default Rate Calculation" section for information on multiple loans for one borrower and page 60 of the "Loan Record Detail Report" section for information on identifying how borrowers are used in the cohort default rate calculation.

Q. If a loan is considered in default due to the default of a consolidation loan, to which entity should the school submit its adjustment – the entity that guaranteed/ originated the original loan or the entity that guaranteed/originated the consolidation loan?

A. If the school is challenging the date the original loan entered repayment, it should address its adjustment to the entity identified by the guarantor/servicer code on the loan record detail report for the original loan. If the school is challenging the default status of the consolidation loan, it should address its adjustment to the entity identified by the guarantor/servicer code on the loan record detail report for the consolidation loan.

The same entity is not always responsible for both loans.

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Loan reported with an incorrect date entered repayment

If a school believes that the date entered repayment for a loan listed on the official loan record detail report is incorrect, it should include documentation in its adjustment to prove the borrower's last day of attendance and the correct date entered repayment, as well as proof that the school timely submitted the change in enrollment documentation to the lender/guaranty agency/Direct Loan servicer or NSLDS, as required.

Please refer to page 20 of the "Cohort Default Rate Calculation" section for information on determining the correct date entered repayment and page 58 of the "Loan Record Detail Report" section for information on the location of the date entered repayment on the loan record detail report.

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Borrower received an insufficient grace period or delinquency period

If a school believes that a borrower received an insufficient grace period or delinquency period, the school should determine if the borrower's date entered repayment and/or claim paid date for FFEL Program loans and/or default date for Direct Loan Program loans are correct. If the date entered repayment and/or claim paid date/default date are incorrect, the school should include documentation in its adjustment to prove the correct date entered repayment and/or claim paid date/default date and, in the case of the date entered repayment, proof that the school timely submitted the change in enrollment documentation to the lender/guaranty agency/Direct Loan servicer or NSLDS, as required.

Please refer to pages 20 through 23 of the "Cohort Default Rate Calculation" section for information on calculating the date entered repayment and for information on the parameters of the claim paid date/default date, and page 58 of the "Loan Record Detail Report" section for information on the location of the date entered repayment and claim paid date/default date on the loan record detail report.

•• **Loan incorrectly converted using date-specific and/or month-specific methodology**

If the school believes a lender failed to use date-specific methodology to convert an FFEL Program loan into repayment, the school should submit the allegation as a part of its adjustment. The school should include documentation in its adjustment to prove the borrower's last day of attendance and the correct date entered repayment, as well as proof that the school timely submitted the change in enrollment documentation to the lender/guaranty agency or NSLDS, as required.

Please refer to page 20 of the "Cohort Default Rate Calculation" section for information on calculating the date entered repayment and page 58 of the "Loan Record Detail Report" section for information on the location of the date entered repayment on the loan record detail report.

•• **Federal SLS Loan and FFEL Program Stafford Loan entered repayment at different times**

If a school believes a Federal SLS loan and an FFEL Program Stafford loan, with different repayment dates, were given during the same period of continuous enrollment and should have the same repayment dates, the school should include documentation in its adjustment to prove that the loans have different repayment dates and documentation demonstrating that the loans were given during the same period of continuous enrollment.

Please refer to page 21 of the "Cohort Default Rate Calculation" section for information on how to determine the repayment dates for Federal SLS and FFEL Stafford loans given during the same period of continuous enrollment and page 58 of the "Loan Record Detail Report" section for information on the location of the date entered repayment on the loan record detail report.

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Cancelled loans included in the official cohort default rate calculation

If a school believes that a loan included in the official cohort default rate calculation has been cancelled, it should include documentation in its adjustment to prove that the loan was never disbursed or was fully refunded within 120 days of disbursement.

Please refer to the "Special Circumstances Affecting How Cohort Default Rates Are Calculated" chart on page 29 of the "Cohort Default Rate Calculation" section for information on the exclusion of cancelled loans from the cohort default rate calculation and page 60 of the "Loan Record Detail Report" section for information identifying how borrowers are used in the cohort default rate calculation.

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Discharged loans included as defaulted loans in the official cohort default rate calculation

If a school believes that a loan reported as a defaulted loan in the official cohort default rate calculation was discharged due to death, bankruptcy, and/or disability PRIOR to defaulting, it should include documentation in its adjustment to prove that the loan was discharged prior to defaulting and proof that the lender/guaranty agency/Direct Loan servicer was timely notified of the incident that resulted in the discharge.

Please refer to the "Special Circumstances Affecting How Cohort Default Rates are Calculated" chart on pages 27 and 28 of the "Cohort Default Rate Calculation" section for information on the exclusion of discharged loans due to death, bankruptcy, and/or disability from the cohort default rate calculation and page 60 of the "Loan Record Detail Report" section for information on identifying how borrowers are used in the cohort default rate calculation.

•• **Defaulted loan was repurchased by the lender**

If a school believes that a defaulted loan was repurchased by the lender and should be removed from the official cohort default rate calculation, the school should determine why the loan was repurchased.

- ❖ If the loan was repurchased by the lender because the guaranty agency determined that the lender failed to meet the insurance requirements, the loan is an **uninsured loan** and should not be included in the cohort default rate calculation. A school should request that the loan be completely removed from the official cohort default rate calculation.
- ❖ If the loan was repurchased following the payment on a claim because the lender incorrectly submitted the loan to the guaranty agency and the lender **immediately** requested the loan be returned and a subsequent claim was not paid on the loan within the cohort period in question, the loan should not be included in the numerator of the cohort default rate calculation. The school should request that the loan be removed from the numerator of the official cohort default rate calculation.
- ❖ If the loan was repurchased following the payment on a claim because the borrower established a **new payment plan** and was making payments or if the lender/servicer simply requested the repurchase (i.e., a courtesy repurchase), the school should request that the loan be removed from the numerator of the official cohort default rate calculation **ONLY** if the loan was **successfully rehabilitated** in accordance with the criteria described in the "Special Circumstances Affecting How Cohort Default Rates are Calculated" chart on page 30 in the "Cohort Default Rate Calculation" section.

Please refer to the "Special Circumstances Affecting How Cohort Default Rates Are Calculated" chart on pages 31 and 32 of the "Cohort Default Rate Calculation" section for information on repurchased loans, and page 60 of the "Loan Record Detail Report" section for information on identifying how a loan is used in the cohort default rate calculation.

These are some, but not all, of the allegations a school may identify.

**Note**

If the documentation submitted by the school as a part of its new data adjustment was never originally submitted to the guaranty agency/Direct Loan servicer or lender, or was not submitted in a timely manner, the guaranty agency/Direct Loan servicer may respond that the data in question was determined based on the best information available at the time, and, as a result, for cohort default rate purposes, no change is warranted.

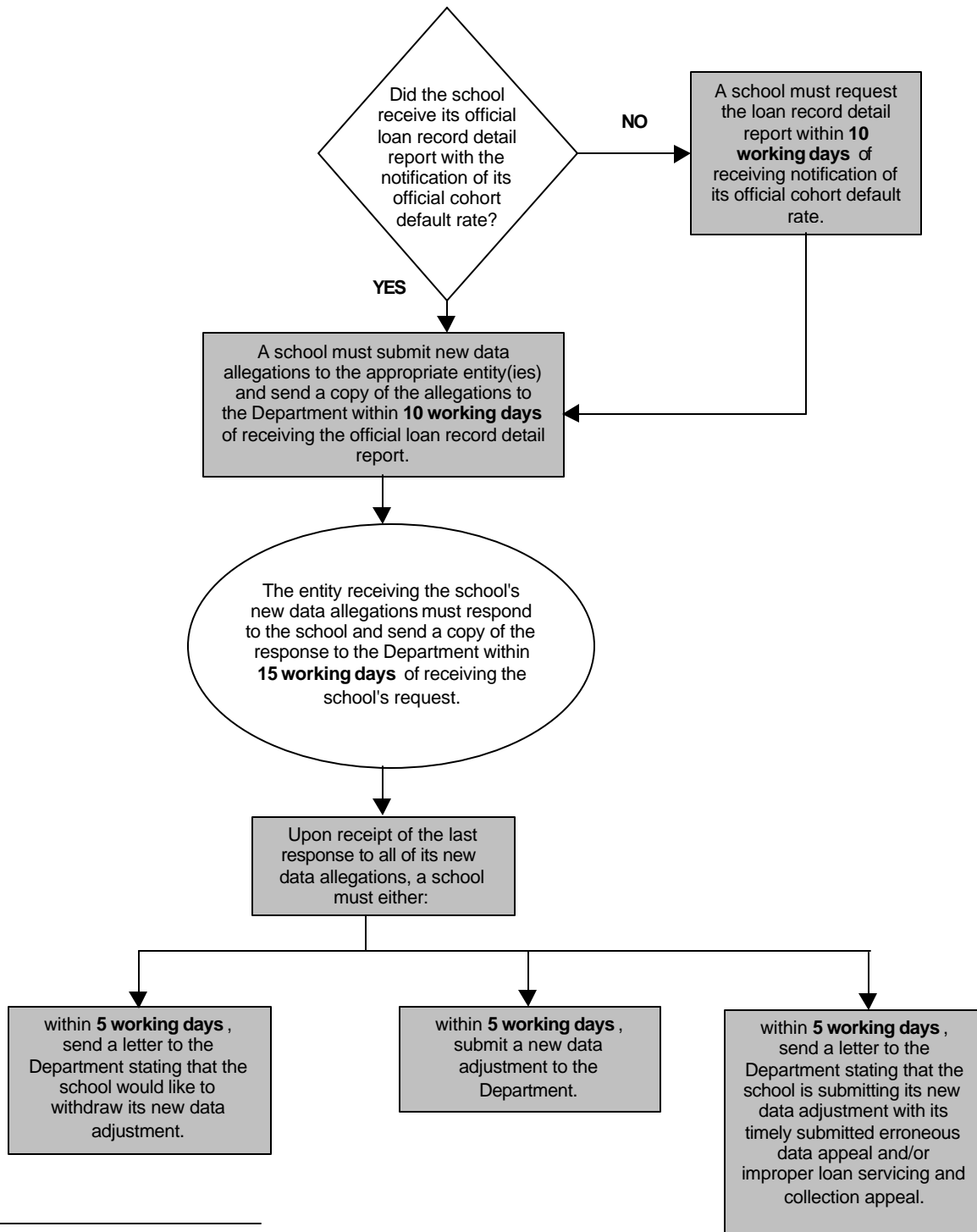
TIMING AND SUBMITTING

What are the time frames and procedures for submitting a new data adjustment?

Timing is critical when submitting a new data adjustment. An overview of the time frames for the new data adjustment process is shown on the next page.

**Note**

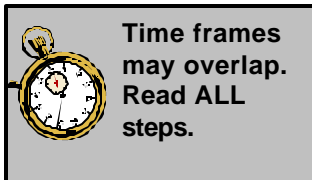
If the school's submission due date falls on a weekend or a federal holiday, a school may send its new data allegations/adjustment to the guaranty agency/Direct Loan servicer/Department no later than the next federal business day.



Diamond = Question

Box = Time frames for schools

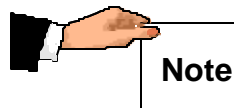
Oval = time frames for guaranty agencies/Direct Loan servicer



The following pages provide a step-by-step description of the time frames and procedures associated with a new data adjustment.

Step 1: Within **10 working days** of receiving its official cohort default rate notification letter, if the school did **not** receive a copy of its official loan record detail report with the official cohort default rate notification letter and the school believes it may want to submit a new data adjustment, it must request its official loan record detail report.

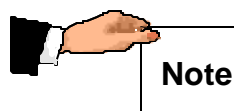
Please refer to page 68 of the "Electronic Loan Record Detail Report" section for instructions on requesting a copy of the loan record detail report.



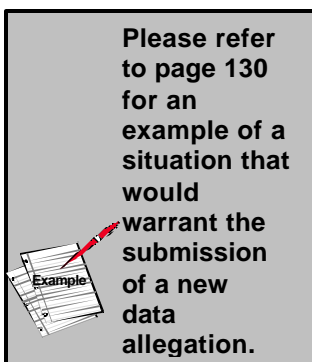
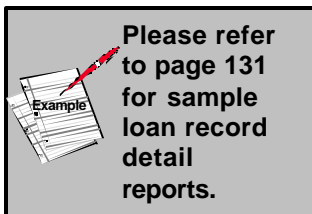
All schools with an FY 1998 official cohort default rate of 10.0 percent or greater will receive an FY 1998 official hardcopy loan record detail report with their FY 1998 official cohort default rate notification letter. If a school received a hardcopy official loan record detail report and it subsequently requested an electronic loan record detail report, the time frames to submit the new data allegations are based on the school's receipt of the hardcopy official loan record detail report.

Step 2: Within **10 working days** of receiving its official loan record detail report, a school must identify any **new data**, which it believes is incorrect, by:

- comparing the draft loan record detail report to the official loan record detail report;
- identifying any changes in the loan data between the draft and official loan record detail reports;
- AND
- determining if the changes in the loan data result in the loan data being reported incorrectly.



When determining if new data is incorrect, a school should refer to the types of allegations that a school may submit as part of a new data adjustment beginning on page 110.



Step 3: If new data is identified and the school believes the data is incorrect, within **the time frame described in Step 2** (i.e., within 10 working days of receiving the official loan record detail report), a school must –

- Compile a list of the loans that are considered new data and that the school believes are incorrectly reported in the official cohort default rate. A separate list should be compiled for each entity responsible for the loan(s) in question.

A school should refer to the New Data Allegations SPREADSHEET and SPREADSHEET INSTRUCTIONS on pages 133 and 132, respectively, to assist in developing the list.

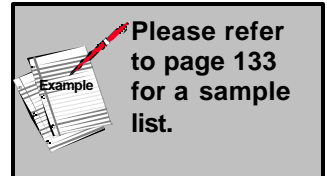
- Compile copies of the relevant pages of the draft and official LOAN RECORD DETAIL REPORTS to demonstrate that the loans identified on the spreadsheet are considered new data.

The relevant pages of the draft and official loan record detail reports include those pages where the loan appears or should appear. If the loan appears (or should appear) at the top or bottom of a page, the school should include the preceding or succeeding page to demonstrate that the loan is not on the previous or subsequent page.

AND

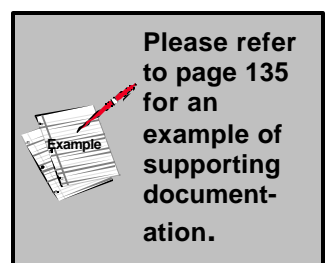
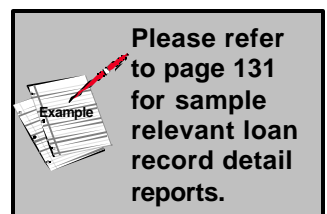
- Compile copies of the relevant supporting documentation that demonstrates that the loan is incorrectly used in the official cohort default rate calculation.

Examples of supporting documentation include:



Q. How can a school identify to which entity an allegation must be submitted?


A. The relevant entities to which an allegation must be submitted can be determined by cross-referencing a loan's guarantor/servicer code as listed on the loan record detail report with the guarantor/servicer codes listed in "Appendix A". "Appendix A" also provides a list of the addresses associated with each entity.



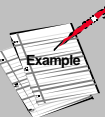
- ❖ a signed and dated copy of a letter to the relevant lender, guaranty agency, and/or Direct Loan servicer that informs the entity of the borrower's last date of attendance and proof that the documentation was timely sent to the relevant lender/guaranty agency/Direct Loan servicer;
 - ❖ a dated copy of a Student Status Confirmation Report (SSCR) sent to a relevant entity that confirms the borrower's last date of attendance and proof that the documentation was timely sent to the lender/guaranty agency/Direct Loan servicer;
 - ❖ a screen print from the SSCR function within NSLDS that confirms the borrower's last date of attendance was timely recorded within NSLDS;
- AND/OR
- ❖ a copy of a **cancelled check**, front and back, or other documentation showing that the borrower's loan was cancelled in-full within 120 days of disbursement by the lender.

**Note**

These are some, but not all, of the possible documentation that may be provided to support a school's allegation.



Due date for submitting allegations to the guaranty agency/Direct Loan servicer.



Please refer to page 134 for a sample letter.

Step 4:

Within the time frame described in Step 2 (i.e., within 10 working days of receiving its official loan record detail report), submit the following to each entity for which the school has identified new data that may be incorrect:

••

a letter requesting that the entity review and respond to the school's new data allegations;

A school should refer to the sample New Data Allegations LETTER on page 134.

- the New Data Allegations SPREADSHEET as described in Step 3;
 - copies of the relevant pages of the draft and official LOAN RECORD DETAIL REPORTS associated with each allegation of new data as described in Step 3;
- AND
- copies of RELEVANT SUPPORTING DOCUMENTATION that support the school's allegations as described in Step 3.

Step 5: Within the time frame described in Step 2 (i.e., within 10 working days of receiving its official loan record detail report) send the Department copies of the request letter and spreadsheet created in Step 4 that were sent to each guaranty agency/Direct Loan servicer.

If a school does not meet these **10-working-day** time frames, the school will NOT be eligible to continue with the new data adjustment process.



Note

A school does NOT need to send copies of the loan record detail reports or supporting documentation to the Department at this time.

The chart shown on the next page provides an overview of the MATERIAL that should be included in a school's request to a guaranty agency/Direct Loan servicer to review and respond to new data allegations.

Q. How long does a guaranty agency/Direct Loan servicer have to respond to a school's new data allegations?

A. A guaranty agency/Direct Loan servicer has **15 working days** to respond to a school's new data allegations.

Please refer to the section entitled "Information for Guaranty Agencies on Adjustments/Appeals" on page 347 for more information about responses to a school's new data allegations.

Within the time frames described in Step 4 on page 120, the following **MATERIAL**, to support new data allegations, should be sent to each **relevant guaranty agency/Direct Loan servicer**.

The section behind Tab 1 contains:

Tab 1

A **letter** on the school's letterhead with—

- ◆ the school's OPE ID number;
- ◆ a statement indicating that the school is submitting new data allegations;
- ◆ a reference to the applicable cohort default rate (in this case FY 1998);
- ◆ the signature of the school's President/CEO/Owner, followed by a signature block providing the signer's name and job title;

AND

- ◆ a notation that a copy of the letter and spreadsheet will be sent to the Department's Default Management Division at the address shown on page 128.



Schools only need to send a copy of the letter and spreadsheet to the Department's Default Management Division. It is not necessary to send copies of the loan record detail report or supporting documentation to the Department's Default Management Division at this time.

Schools should refer to the sample New Data Allegations LETTER, on page 134.

The section behind Tab 2 contains:

Tab 2

A **spreadsheet** of all of the school's new data allegations.

Schools should refer to the sample New Data Allegations SPREADSHEET and SPREADSHEET INSTRUCTIONS on pages 133 and 132, respectively, to assist in creating the list.

The section behind Tab 3 contains:

Tab 3

Copies of the relevant pages of the draft and official **loan record detail reports**.

Schools should refer to page 119 for information on which pages are considered the relevant pages of the draft and official loan record detail report(s) and the sample LOAN RECORD DETAIL REPORT on page 131.

The section behind Tab 4 contains:

Tab 4

Copies of the **supporting documentation** to support the school's list of new data allegations.

Schools should refer to pages 119 and 120 for information on what is considered relevant supporting documentation and the sample SUPPORTING DOCUMENTATION on page 135.

Step 6: Within **5 working days** of receipt of an entity's response to a school's new data allegations, determine if any additional clarification is needed. If additional clarification is needed, the request for clarification must be submitted to the entity within **5 working days** of receipt of the initial response and a copy of the request must be simultaneously sent to the Department using the address on page 128.



Requests for additional clarification are not an opportunity for a school to provide additional supporting documentation or to submit additional allegations. The requests are allowed solely for a school to gain clarification based on information that was timely submitted as a part of the adjustment process.

Step 7. Within **5 working days** of receiving the last response to ALL of the school's new data allegations, decide how to proceed.

- A school should **withdraw** from the new data adjustment process if it is convinced that there are not any incorrect new data in its official cohort default rate calculation;
- OR
- A school should **continue** with the new data adjustment process if the response(s) received from the relevant entity(ies) indicates that a change is warranted.



Even if the guaranty agency/Direct Loan servicer agrees that a change is warranted, the school must still submit its new data adjustment to the Department — only the Department can confirm and make the recommended changes to the school's official cohort default rate.

Q. How long does a guaranty agency/Direct Loan servicer have to respond to a school's subsequent inquiry?

A. A guaranty agency/Direct Loan servicer has **5 working days** to respond to a school's subsequent inquiry.

Please refer to the section entitled "Information for Guaranty Agencies on Adjustments/Appeals" on page 353 for more information about responses to a school's subsequent inquiry.

Step 8. Notify the Department whether the school is withdrawing from the adjustment process or continuing with the adjustment process.

- If the school wants to **withdraw** its new data adjustment, within **5 working days** of receiving the last response to ALL of its new data allegations, notify the Department in writing that the school is withdrawing its new data adjustment.

Please refer to the "Withdrawing an Adjustment/Appeal" section on page 329.



If a school is subject to initial loss of eligibility to participate in the FFEL Program and/or Direct Loan Program and the school's appeal of that loss is unsuccessful, **the school will be liable for certain costs** associated with FFEL Program loans certified and delivered and Direct Loan Program loans originated and disbursed by the school. A school's period of liability with regard to these costs begins 30 calendar days after the school receives notice that it is subject to initial loss of eligibility to participate in the FFEL Program and/or Direct Loan Program. The period of liability ends upon the earlier of the withdrawal of the school's adjustment/appeal, the resolution of the school's adjustment/appeal, or the 45th calendar day after the date the school submitted its completed adjustment/appeal to the Secretary for review.¹

OR

- If the school wants to **continue** with the new data adjustment process, it must:
 - ❖ submit the new data adjustment to the Department within **5 working days** of receiving the last response to ALL of its new data allegations using the address on page 128;

¹ HEA Section 435(a)(2)(A) and 34 CFR Section 668.17(b)(ii)

OR

- ❖ submit the new data adjustment with a timely initiated and submitted erroneous data AND/OR improper loan servicing and collection appeal.

If a school is submitting both a new data adjustment AND an erroneous data AND/OR an improper loan servicing and collection appeal, it may submit the adjustments/appeals simultaneously by the latter of:

- within **5 working days** of receipt of the last response to ALL of the school's new data allegations;

OR

- within **5 working days** of receipt of the last response to ALL of the school's erroneous data allegations;

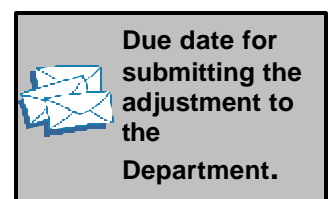
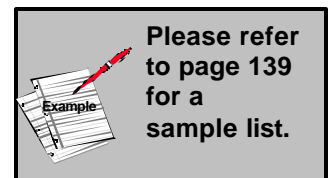
OR

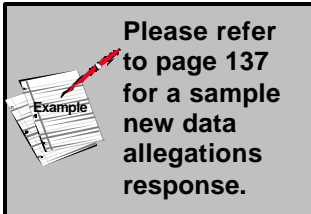
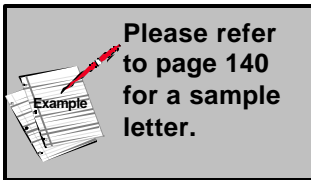
- within **30 calendar days** of receipt of the last response to ALL of the school's requests for loan servicing records.

Step 9. Within the time frames described in Step 8, if the school has decided to continue with the new data adjustment process, a school must compile a list of the new data allegations for which the relevant entities agreed that a change was warranted.

A school should refer to the Sample New Data Adjustment SPREADSHEET and SPREADSHEET INSTRUCTIONS on pages 139 and 138, respectively, to assist in developing the list.

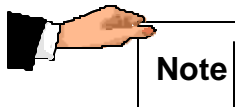
Step 10. Within the time frame described in Step 8, submit the following to the Department using the address on page 128:





- a letter requesting a new data adjustment;

A school should refer to the Sample New Data Adjustment LETTER on page 140 to develop the letter.
- the New Data Adjustment SPREADSHEET as described in Step 9;
- AND
- copies of the guaranty agency/Direct Loan servicer NEW DATA ALLEGATIONS RESPONSES indicating that changes are warranted to the new data allegations presented by the school.



If a school fails to timely submit its new data adjustment to the Department's Default Management Division, the Department will not review the adjustment and will return all adjustment-related material to the school.

The following page provides an overview of the MATERIAL that should be included in a school's new data adjustment.

Within the timeframes described in Step 8 on page 124, the following **MATERIAL**, to support a new data adjustment, should be sent to the Department's Default Management Division at the address shown on page 128.

The section behind Tab 1 contains:

Tab 1

A LETTER on the school's letterhead with—

- ◆ the school's OPE ID number;
- ◆ a statement indicating that the school is submitting a new data adjustment;
- ◆ a reference to the applicable cohort default rate (in this case FY 1998);
- ◆ a list of the other adjustments/appeals the school intends to submit to the Department;
- ◆ the signature of the school's President/CEO/Owner, followed by a signature block providing the signer's name and job title;

AND

- ◆ a notation that a copy of the letter and spreadsheet will be sent to the relevant guaranty agency/Direct Loan servicer.



Schools only need to send a copy of the letter and spreadsheet of the new data adjustment to the **relevant** guaranty agency/Direct Loan servicer.

Schools should refer to the Sample New Data Adjustment LETTER on page 140.

The section behind Tab 2 contains:

Tab 2

A SPREADSHEET of ALL of the school's new data allegations for which the guaranty agency(ies)/Direct Loan servicer indicated a change is warranted.

Schools should refer to the Sample New Data Adjustment SPREADSHEET and SPREADSHEET INSTRUCTIONS on pages 139 and 138, respectively, to assist in creating the list.

The section behind Tab 3 contains:

Tab 3

Copies of the guaranty agency/Direct Loan servicer's New Data Adjustment RESPONSES confirming that a change is warranted to the new data.

Schools should refer to pages 137 for a Sample New Data Allegation RESPONSE.

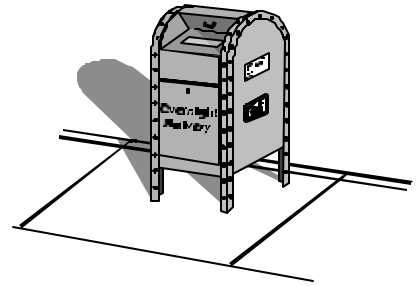


Note

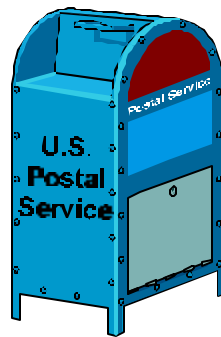
The Department will review only the information submitted with the new data adjustment and will not consider information submitted after the applicable deadline. The Department will send the school and each involved entity written notification of its decision. **The Department's decision is final and no further administrative review is provided.**

If sent by commercial overnight mail/courier delivery, send the school's new data adjustment to:

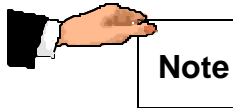
U.S. Department of Education
Default Management Division
ATTN: New Data Adjustment
Portals Building, Room 6300
1250 Maryland Avenue, SW
Washington, DC 20024



If sent by U.S. Postal Service, send the school's new data adjustment to:



U.S. Department of Education
Default Management Division
ATTN: New Data Adjustment
Portals Building, Room 6300
400 Maryland Avenue, SW
Washington, DC 20025-5353



Note

The Department will not accept any adjustment correspondence by facsimile (fax) or e-mail.

The Department recommends that a school send all adjustment correspondence return receipt requested or via commercial overnight mail/courier delivery. This will be useful to a school if it is asked to authenticate the timeliness of its adjustment. A school should maintain the documentation which verifies the receipt of the adjustment related material. In addition, a school should retain copies of all documentation submitted as a part of the adjustment process.

PART II: Examples and Sample Material

Part II of the "New Data Adjustment" section outlines a situation in which a school would benefit from submitting a new data adjustment. This part also provides sample material that should be referenced by a school when compiling the material that must be submitted by a school during the new data adjustment process.

CONTENT REFERENCE FOR PART II

| | |
|--|-----|
| EXAMPLE of a situation that warrants the submission of New Data Allegations | 130 |
| Sample LOAN RECORD DETAIL REPORTS | 131 |
| New Data Allegations SPREADSHEET INSTRUCTIONS | 132 |
| Sample New Data Allegations SPREADSHEET | 133 |
| Sample New Data Allegations LETTER | 134 |
| Sample New Data Allegations SUPPORTING DOCUMENTATION | 135 |
| EXAMPLE of a situation that warrants the submission of a New Data Adjustment..... | 136 |
| Sample New Data Allegations RESPONSE | 137 |
| New Data Adjustment SPREADSHEET INSTRUCTIONS | 138 |
| Sample New Data Adjustment SPREADSHEET | 139 |
| Sample New Data Adjustment LETTER..... | 140 |

EXAMPLE of a situation that warrants the submission of New Data Allegations

School of Business received notification of its FY 1998 official cohort default rate on September 28, 2000. The school's notification did NOT include a hardcopy of its FY 1998 official cohort default rate loan record detail report.

Within 10 working days of receiving its FY 1998 official cohort default rate notification letter, the school logged onto NSLDS and requested its FY 1998 official loan record detail report and by the next business day received its FY 1998 official loan record detail report in its Title IV WAN mailbox.

Within 10 working days of receiving its FY 1998 official loan record detail report, the school:

- compared its FY 1998 official loan record detail report with its FY 1998 draft loan record detail report (please refer to the sample LOAN RECORD DETAIL REPORTS on page 131) and identified two situations that would be considered new data – in each situation, the school believed the newly reported data was incorrect;

According to the FY 1998 draft loan record detail report, Ted Loman was included in the report as a non-defaulted loan and Vickie Burleson was not included in the report at all. However, after receiving the FY 1998 official loan record detail report, the school discovered that Ted Loman's loan was now missing from the report and Vickie Burleson's loans were included in the report. The school believes that Ted's loan should be included in the FY 1998 official cohort default rate calculation based on a January 16, 1998 date entered repayment and that Vickie's loans should be removed from the FY 1998 official cohort default rate calculation based on an August 18, 1999 date entered repayment.

- prepared a SPREADSHEET that identified Ted and Vickie's loans and provided what the school believed was the correct information that should be associated with the loans (please refer to the Sample SPREADSHEET on page 133);
- made a copy of the pages of the FY 1998 DRAFT LOAN RECORD DETAIL REPORT that showed Ted's loan was reported as a non-defaulted loan and Vickie's loans were not reported and also made a copy of the pages of the FY 1998 OFFICIAL LOAN RECORD DETAIL REPORT that showed that Ted's loan was not reported and Vickie's loans were reported as defaulted loans (please refer to the Sample pages of the draft and official LOAN RECORD DETAIL REPORTS on page 131);
- made a copy of the letter sent to the State Guaranty Agency in August, 1997 asking to update Ted's last date of attendance and included proof that State Guaranty Agency was timely notified of Ted's last date of attendance – the school did not provide any documentation to support Vickie's last day of attendance (please refer to the Sample SUPPORTING DOCUMENTATION on page 135);

AND

- prepared a LETTER for the State Guaranty Agency, which is the entity that currently maintains the guaranty on Ted and Vickie's FFEL Program loans, requesting clarification on the inaccuracies in the new data noted by the school (please refer to the Sample LETTER on page 134).

On October 3, 2000, School of Business mailed the MATERIAL return receipt requested to the State Guaranty Agency at the address found in "Appendix A" and sent a copy of the cover letter and spreadsheet to the Department's Default Management Division at the address found on page 128.

SAMPLE LOAN RECORD DETAIL REPORTS

U.S. DEPARTMENT OF EDUCATION
NATIONAL STUDENT LOAN DATA SYSTEM (NSLDS)
COHORT YEAR 1998 DRAFT LOAN RECORD DETAIL REPORT (SCHOOL)
Organization ID Number: 11122200
RATE CALCULATION DATE: 12/18/1999
PAGE NO: 1

Attention: ROBERT YOUNG
Name: SCHOOL OF BUSINESS
Address: 1212 WEDGEWOOD LANE
City: LEONARDTOWN
Country: USA

State: WI
Postal Code: 12345-6789
Program Type: FFEL/DL
Original CLASS 1
Begin Date End Date Level

STUDENT

| SSN | Last name | Originating | Current | Type | Stat | Code | Claim Rsn/ | DEFAULT/ NegAm Date | Repay Date | Amount | Guarantor/ Servicer | Guaranty Loan/Date | Enrollment Stat/ Code Date | Usage |
|--------------|-----------|-------------|---------|------|------|------|------------|------------------------|------------|------------|------------------------|-----------------------|-------------------------------|--------------|
| 0100-00-0000 | LEE | | | D1 | DU | IX | | 02/20/1999 | MISSY | 10/21/1997 | 11122200 | 08/25/1996 | 05/11/1997 | 2 DB |
| 0101 | 555 | | | | | | | | | 3,000 | 0101 | 09/30/1996 | G | 12/15/1998 B |
| 0111-11-1111 | LOMAN | | | SF | RP | | | 00/00/0000 | TED | 10/21/1977 | 11122200 | 08/25/1997 | 05/11/1998 | 1 FD |
| 8000040000 | | | | | | | | | 01/16/1998 | \$ 2,625 | 111 | 08/25/1997 | W | 01/01/2000 D |
| 0444-44-4444 | MAY | | | SF | RP | | | 00/00/0000 | ELIZABETH | 08/12/1969 | 11122200 | 02/13/1996 | 09/11/1997 | 1 FD |
| 8000040000 | | | | | | | | | 06/12/1998 | \$ 2,625 | 111 | 02/24/1996 | F | 12/01/1999 D |

U.S. DEPARTMENT OF EDUCATION
NATIONAL STUDENT LOAN DATA SYSTEM (NSLDS)
COHORT YEAR 1998 OFFICIAL LOAN RECORD DETAIL REPORT (SCHOOL)
Organization ID Number: 11122200
RATE CALCULATION DATE: 08/12/2000
PAGE NO: 1

Attention: ROBERT YOUNG
Name: SCHOOL OF BUSINESS
Address: 1212 WEDGEWOOD LANE
City: LEONARDTOWN
Country: USA


State: WI
Postal Code: 12345-6789
Program Type: FFEL/DL
Original CLASS 1
Begin Date End Date Level

STUDENT

| SSN | Last name | Originating | Current | Type | Stat | Code | Claim Rsn/ | DEFAULT/ NegAm Date | Repay Date | Amount | Guarantor/ Servicer | Guaranty Loan/Date | Enrollment Stat/ Code Date | Usage |
|--------------|-----------|-------------|---------|------|------|------|------------|------------------------|------------|------------|------------------------|-----------------------|-------------------------------|--------------|
| 0222-22-2222 | BURLESON | | | SF | DU | DF | | 09/20/1999 | VICKIE | 06/12/1975 | 11122200 | 08/25/1997 | 05/11/1998 | 2 FB |
| 8888888888 | | | | | | | | | 10/21/1997 | \$ 2,625 | 111 | 09/30/1997 | G | 12/15/1999 B |
| 0222-22-2222 | BURLESON | | | SU | DU | DF | | 09/20/1999 | VICKIE | 06/12/1975 | 11122200 | 08/25/1997 | 05/11/1998 | 2 E |
| 8888888888 | | | | | | | | | 10/21/1997 | \$ 2,625 | 111 | 09/30/1997 | G | 12/15/1999 E |
| 0555-55-5555 | ANDERSON | | | SF | RP | | | 00/00/0000 | ELIZABETH | 11/18/1979 | 11122200 | 02/13/1997 | 09/11/1997 | 1 FD |
| 8000040000 | | | | | | | | | 06/12/1998 | \$ 2,625 | 111 | 02/24/1997 | F | 12/01/1998 D |

New Data Allegations **SPREADSHEET INSTRUCTIONS**

| Column 1: | Enter the student's Social Security number (SSN) using hyphens to separate the numbers (example: 000-88-0000). | | | | | | | | | | | | | | |
|---|---|-----------------|--|------|-------------|----|--------------------------------------|----|--|----|-------------------------------|----|--------------------------------------|----|---------------------------------|
| Column 2: | Enter the borrower's name. | | | | | | | | | | | | | | |
| Column 3: | Enter the number and type of loan(s). Use the following codes: | | | | | | | | | | | | | | |
| <table><tr><th colspan="2">Loan Type Codes</th></tr><tr><th>Code</th><th>Description</th></tr><tr><td>D1</td><td>Direct Loan Subsidized Stafford Loan</td></tr><tr><td>D2</td><td>Direct Loan Unsubsidized Stafford Loan</td></tr><tr><td>SF</td><td>FFEL Subsidized Stafford Loan</td></tr><tr><td>SL</td><td>Supplemental Loans for Student Loans</td></tr><tr><td>SU</td><td>FFEL Unsubsidized Stafford Loan</td></tr></table> | | Loan Type Codes | | Code | Description | D1 | Direct Loan Subsidized Stafford Loan | D2 | Direct Loan Unsubsidized Stafford Loan | SF | FFEL Subsidized Stafford Loan | SL | Supplemental Loans for Student Loans | SU | FFEL Unsubsidized Stafford Loan |
| Loan Type Codes | | | | | | | | | | | | | | | |
| Code | Description | | | | | | | | | | | | | | |
| D1 | Direct Loan Subsidized Stafford Loan | | | | | | | | | | | | | | |
| D2 | Direct Loan Unsubsidized Stafford Loan | | | | | | | | | | | | | | |
| SF | FFEL Subsidized Stafford Loan | | | | | | | | | | | | | | |
| SL | Supplemental Loans for Student Loans | | | | | | | | | | | | | | |
| SU | FFEL Unsubsidized Stafford Loan | | | | | | | | | | | | | | |
| Column 4: | Enter MM/DD/CCYY (month, day, and year) of the earlier of the borrower's LDA (last date of attendance) or the LTH (less than half-time date) according to the school's records and outside sources. | | | | | | | | | | | | | | |
| Column 5: | Enter MM/DD/CCYY or MM/CCYY to identify the DER (date the loan entered repayment) according to the school's records and outside sources. | | | | | | | | | | | | | | |
| Column 6: | Enter MM/DD/CCYY or MM/CCYY to identify the CPD (claim paid date), DD (default date), or ICRD (income contingent repayment date) according to the school's records and outside sources. | | | | | | | | | | | | | | |
| Column 7: | Enter the fiscal year(s) to which the school believes this information should be applied. | | | | | | | | | | | | | | |
| Column 8: | Enter N (numerator), D (denominator), or B (both numerator and denominator), accompanied by a plus or minus sign (such as +D or -D) to show how the school believes the information will affect its official CDR (cohort default rate) calculation. | | | | | | | | | | | | | | |



Record all loans being challenged using a spreadsheet software application such as Excel or Lotus 1-2-3.

Fill out a separate spreadsheet **for each entity**, as identified by the guarantor/servicer code, for which the school alleges new data errors.


The spreadsheet should be on 8 1/2" x 11" paper in a landscape (horizontal) layout. A sample spreadsheet follows these instructions.

Header:

Enter **FY 1998 New Data Allegations** in the center of the header area. In the left-hand area, enter the school's name, the school's OPE ID number, the guarantor/servicer's code and guaranty agency/Direct Loan servicer name associated with the allegations, and the number of borrowers and loans associated with the borrowers on the list.

Footer:


Enter the date the spreadsheet was prepared in the left side of the footer area. Set up automatic pagination in the right side of the footer area so that the specific page number and the total number of pages show on each page, for



Only the allegations listed on the school's spreadsheet will be reviewed. **If a borrower has multiple loans that may contain new data errors, a school must enter data for each loan for the borrower.**

On Row 1, enter exactly the same column names in exactly the same order as listed on the sample spreadsheet. Ensure that column names appear at the top of each page.

On Row 2 and below, include the following data for each loan for which the school is submitting a new data allegation.



A school should input dates based on the school's records. A school should NOT include dates based on the loan record detail report or guaranty agency and/or Direct Loan servicer information if it believes those dates are incorrect.

FY 1998 New Data Allegations

School of Business
OPE ID Number: 111222
Guarantor/Service Code: 111
State Guaranty Agency
Number of borrowers: 2
Number of loans: 3

Note: This is a sample spreadsheet. See instructions on page 132.

[illegible]

10/03/2000

Send to the relevant entity at the address located in "Appendix A".

Page 1 of 1

Sample New Data Allegations **LETTER**

October 3, 2000

School of Business

1212 Wedgewood Lane
Leonardtown, Wisconsin 12345-6789
(123) 456-7890

State Guaranty Agency
Guarantor/Service Code 111
ATTN: Bob Bowen
1234 Trueman Road
Lusby, North Carolina 98765-4321

OPE ID#: 111222**Sample Letter****Subject: FY 1998 New Data Allegations**

Dear Mr. Bowen:

School of Business, **OPE ID# 111222**, is submitting a list of new data allegations for review by State Guaranty Agency.

Please see the enclosed spreadsheet, relevant pages of the draft and official loan record detail reports, and supporting documentation.

Sincerely,

Robert Young

Robert Young, President

Enclosures

cc: U. S. Department of Education, Default Management Division

Sample New Data Allegations **SUPPORTING DOCUMENTATION****School of Business**

1212 Wedgewood Lane
Leonardtown, Wisconsin 12345-6789
(123) 456-7890

Sample Letter

August 3, 1997

State Guaranty Agency
Guarantor/Service Code 111
ATTN: Bob Bowen
1234 Trueman Road
Lusby, North Carolina 98765-4321

OPE ID#: 111222

Subject: Updated LDA

Dear Mr. Bowen:

School of Business, **OPE ID# 111222**, wishes to inform State Guaranty Agency that the last date of attendance for Ted Loman (111-11-1111) is July 15, 1997.

Thank you.

Sincerely,
Robert Young
Robert Young, President

PS Form 3800, March 1993

Receipt for Certified Mail
No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to: State Guaranty Agency
Street and No.:
P.O., Street and ZIP Code:
Postage: \$
Certified Fee:
Special Delivery Fee:
Restricted Delivery Fee:
Return Receipt Showing to Whom & Date Delivered:
Return Receipt Showing to Whom & Date Delivered:
TOTAL Postage & Fees:
Postmark: **AUG 4 1997**

Fold at line over top of envelope to the right of the return address

CERTIFIED

MAIL

EXAMPLE of a situation that warrants the submission
of a New Data Adjustment

School of Business received its last response from the State Guaranty Agency to all of its new data allegations on October 22, 2000.

Within 5 working days of receiving the response from the State Guaranty Agency, the school:

- reviewed the State Guaranty Agency New Data Allegations Response indicating that the State Guaranty Agency agreed that Ted Loman should be added to the FY 1998 official cohort default rate. State Guaranty Agency disagreed that Vickie Burleson should be removed from the school's FY 1998 official cohort default rate (please refer to the Sample NEW DATA ALLEGATIONS RESPONSE on page 137);
- prepared a spreadsheet that identified Ted's loan and the date the guaranty agency agreed that a change was warranted – School of Business did not submit Vickie's allegations because State Guaranty Agency did not agree with the school and because new data allegations may only be submitted to the Department for review if the guaranty agency agrees that a change is warranted (please refer to the Sample SPREADSHEET on page 139);
- made a copy of the State Guaranty Agency New Data Allegations Response showing that State Guaranty Agency indicated that Ted's loan should be added to the FY 1998 cohort default rate calculation based on a January 16, 1998 date entered repayment (please refer to the Sample NEW DATA ALLEGATIONS RESPONSE on page 137);

AND

- prepared a letter to the U.S. Department of Education's Default Management Division for its new data adjustment (please refer to the Sample New Data Adjustment LETTER on page 140).

On October 25, 2000, School of Business mailed the MATERIAL via commercial overnight mail to the Department's Default Management Division at the address on page 128. In addition, School of Business sent a copy of the letter and spreadsheet associated with its new data adjustment to the State Guaranty Agency.

Sample New Data Allegations **RESPONSE****State Guaranty Agency**

1234 Trueman Road
Lusby, North Carolina 98765-4321
(111) 222-3333

October 20, 2000

Robert Young
President
School of Business
1212 Wedgewood Lane
Leonardtown, Wisconsin 12345-6789

OPE ID#: 111222

Sample Letter

Subject: FY 1998 New Data Allegations Response

Dear Mr. Young:

This is State Guaranty Agency's response to School of Business', OPE ID# 111222, FY 1998 new data allegations received on October 6, 2000.

Please see the enclosed spreadsheet and supporting documentation.

Sincerely,

Bob Bowen

Bob Bowen, Compliance Officer

Enclosures

cc: U.S. Department of Education, Default Management Division

State Guaranty Agency
School of Business
OPE ID#: 111222
Number of borrowers: 2
Number of loans: 3

FY 1998 New Data Allegations Response

| 1. Borrower's SSN | 2. Borrower's Name | 3. Type and number of loan (Use codes provided in instructions on page __) | 4. Earlier of LTH or LDA (MM/DD/CCYY) | 5. Date entered repayment (DER) (MM/DD/CCYY) | 6. CPD, DD, ICRD, or N/A (MM/DD/CCYY or leave blank) | 7. FY(s) appl. | 8. Effect on CDR calc. | 9. Comments |
|-------------------|--------------------|---|--|--|---|----------------|------------------------|--|
| 111-11-1111 | Ted Loman | 1 SF | 07/15/1997 | 01/16/1998 | N/A | FY 1998 | +D | Agree. Our records indicate that the school timely submitted the information on Ted's change in enrollment. |
| 222-22-2222 | Vickie Burtleson | 1 SF | 04/20/1997 | 10/21/1997 | 09/20/1999 | FY 1998 | none | Disagree. Our records indicate that the school did not provide any notice of a change in the borrower's anticipated graduation date (AGD). Therefore, the lender used the AGD originally provided by the school. Please see the enclosed documentation. |
| 222-22-2222 | Vickie Burtleson | 1 SU | 04/20/1997 | 10/21/1997 | 09/20/1999 | FY 1998 | none | Disagree. Our records indicate that the school did not provide any notice of a change in the borrower's anticipated graduation date (AGD). Therefore, the lender used the AGD originally provided by the school. Please see the enclosed documentation. |

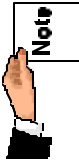
10/20/2000

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New Data Adjustment **SPREADSHEET INSTRUCTIONS**

Column 1: Enter the borrower’s Social Security number (SSN) using hyphens to separate the numbers (for example, 000-00-0000)

If a borrower has multiple loans, each loan which should be adjusted must be listed on the spreadsheet.



Column 2: Enter the borrower’s name.

Column 3: Enter the number of loans and loan type(s). Use the following codes to identify the type of loan.

| Loan Type Codes | |
|-----------------|--|
| Code | Description |
| D1 | Direct Loan Subsidized Stafford Loan |
| D2 | Direct Loan Unsubsidized Stafford Loan |
| SF | FFEL Subsidized Stafford Loan |
| SL | FFEL Supplemental Loans for Student Loan |
| SU | FFEL Unsubsidized Stafford Loan |

Column 4: Enter MM/DD/CCYY (month, day and year) to identify the date the data error was acknowledged by the guaranty agency/Direct Loan servicer as a result of the school’s new data allegations.

Column 5: Enter the guarantor/servicer code of the entity that agreed that incorrect new data exist in the official loan record detail report (found in "Appendix A")

Record all loans, from ALL guaranty agencies/Direct Loan servicer, for which the school is requesting a new data adjustment using a spreadsheet software application such as Excel or Lotus 1-2-3.

The spreadsheet should be on 8 ½" x 11" paper in a landscape (horizontal) layout. A sample spreadsheet follows these instructions.

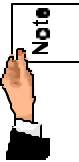
Header: Enter **FY 1998 New Data Adjustment** in the center of the header area. In the left-hand area, enter the school's name, the school's OPE ID number, and the number of borrowers and loans associated with the request.

Footer: Enter the date the adjustment was prepared in the left side of the footer area. Set up automatic pagination in the right side of the footer area so that the specific page number and the total number of pages show on each page, for example: page 1 of 10 pages.

Sort: The borrowers listed on the spreadsheet should be sorted by:

1. Guarantor/servicer code associated with the entity responsible for the loan;
2. Borrowers' Social Security number.

Only the allegations listed on the school's spreadsheet will be reviewed.



On Row 1, enter exactly the same column names in exactly the same order as listed on the sample spreadsheet. Ensure that column names appear at the top of each page.

On Row 2 and below, include the following data for each loan for which the school is requesting an adjustment:

FY 1998 New Data Adjustment

Note: This is a sample spreadsheet.
(See instructions on page 138.)

[illegible]

11/09/2000

send to U.S. Department of Education's
Default Management Division at the address listed on page 128.

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Sample New Data Adjustment **LETTER****School of Business**

1212 Wedgewood Lane
Leonardtown, Wisconsin 12345-6789
(123) 456-7890

Sample Letter

October 25, 2000

U.S. Department of Education
Default Management Division
ATTN: New Data Adjustment
Portals Building, Room 6300
400 Maryland Avenue, S.W.
Washington, D.C. 20202-5353

OPE ID#: 111222

Subject: FY 1998 New Data Adjustment

Dear Default Management Division:

School of Business, **OPE ID# 111222**, wishes to request a new data adjustment to its FY 1998 official cohort default rate.

Please see the enclosed spreadsheet and the copies of the new data adjustment responses.

School of Business has also submitted an uncorrected data adjustment to the Department for review.

Thank you for your consideration.

Sincerely,

Robert Young

Robert Young, President

Enclosures

cc: State Guaranty Agency